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AZ CORP COMMISSION
DOCKET CONTROL

April 12, 2010

Arizona Corporation Commission
DOCKETED

APR 12 2010

Kristin K. Mayes, Chairman
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007



**Re: Arizona Public Service Company's Application for Modification to the
Residential Distributed Energy Incentive
Docket No. E-01345A-09-0338**

Dear Chairman Mayes:

This letter is in response to your letter of April 7, 2010, where you requested that Arizona Public Service Company ("APS" or the "Company") provide additional information regarding APS's request for modification of its Residential Distributed Energy Incentive. APS's responses to your questions are below.

To provide clarity in the Company's responses, it is important to understand the meaning of two terms in this context. "Application" refers to a customer's written request for incentive funding; once all necessary information has been submitted by the customer in the Application, reviewed by the Company and the availability of incentive funds has been verified, the Application is confirmed as a "Reservation". Further discussion of this process is described in response to Question No. 3.

1. APS identified \$32.7 million in committed funding for the residential solar program for 2010. Please outline whether these project commitments reflect residential projects submitted before January 1, 2010, or whether these project commitments are solely related to the 2010 calendar year.
 - a. Please identify, on a week by week basis, the number of reservations made with APS for residential solar systems, from January 2009 to the present.
 - b. Please identify, on a week by week basis from January 2009 to the present, whether reservations were funded from 2009 or 2010 budgets.
 - c. Please identify, on a week by week basis from January 2009 to the present, what percentage of the reservations have cancelled and what has been built and funded to date.

APS • APS Energy Services • SunCor • El Dorado

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- a. In total, APS received approximately 4,600 residential solar applications in calendar year 2009. This amounts to a yearly average of 88 residential solar applications received per week. It should be noted that prior to November 1, 2009 (week 45), the average volume of applications received was 78. For the remainder of the year, the weekly application volume nearly doubled to 146 applications.

As of April 7, 2010, APS has received a total of approximately 1,700 residential solar applications in calendar year 2010.

Attached Exhibit A, Tables 1 & 2, provide a weekly summary of applications received in 2009 and in the early months of 2010, respectively.

- b. Of the 4,600 applications received in 2009, 76% were converted to reservations in 2009 with a funding budget year of 2009. The remaining 24% were received after November 1, 2009 and were reserved in 2010. These will be funded from the 2010 budget.

A portion of applications received in 2010 have been reserved in calendar year 2010 and will be funded through the 2010 budget. The remainder of applications that have been received in 2010, but are not yet reserved, will also be funded from the 2010 residential incentive budget, to the extent funding is available.

Exhibit A, Tables 1 & 2, demonstrate the funding year for all applications that were received in 2009 and in the early months of 2010.

- c. In 2009, there were a total of approximately 3,500 residential solar reservations confirmed. Of those 3,500, there was a total cancellation rate of approximately 5%. In the first quarter of 2010, there has been less than a 1% cancellation rate on all reservations with funding from the 2010 budget year. *See* Exhibit A, Tables 3 and 4.
2. **Please tell the Commission the degree to which its decision not to commit RES incentive funding to the Flagstaff solar pilot project, but rather allow APS to invest funding in that pilot, will help alleviate the problem facing the residential program. Will any residential dollars previously committed to the Flagstaff project now be available?**

Because approval for the Flagstaff Community Power Project Pilot was pending, no Residential Energy Standard ("RES") incentive funds were earmarked for the Flagstaff pilot in APS's 2010 Implementation Plan. In APS's March 31, 2010 filing, the reservation numbers reported did not include the Flagstaff pilot. Had residential incentive funds been required for the Flagstaff Community Power Project, the current funding situation would have been exacerbated.

3. **Please outline the typical time intervals customers experience in getting a system installed and operational, from the initial signing of a contract with a vendor to the date APS conducts its inspection and the system goes live. Specifically, outline the time duration from receipt of a contract, to approval of a reservation, to APS inspection.**

APS has observed that the typical timeframe between the time a customer signs a contract for installation of a residential photovoltaic ("PV") system and the time the system becomes operational is approximately 100 days. For solar hot water systems ("SHW"), the typical timeframe is 75 days.

Once a customer has signed a contract with a solar installer, the customer submits an application to APS requesting a "reservation" of incentive funding (the "Application"). The average amount of time for APS to process an Application is approximately 25 days. It is the Company's experience that a number of Applications that are submitted lack information, and additional contacts with the customer are required to acquire the necessary information, which can prolong the processing of the Application. Once the Application contains all necessary information and the availability of funds has been verified, the Application is confirmed as a reservation.

Prior to receipt of a residential incentive, the customer must have installed a system that is ready for commissioning. Systems must meet all applicable APS interconnection requirements. All grid-tied PV systems will be inspected by APS to ensure the system is connected to the grid in conformance with APS interconnection requirements. APS generally inspects the systems within 15 days of the inspection request, and the customer typically receives an incentive payment within 30 days of having passed inspection.

As stated in APS's Distributed Energy Administration Plan ("DEAP"), incentive funds for residential projects are made available for reservations on a first-come, first-reserved basis. Incentive funding is not guaranteed without written confirmation of a reservation from APS. If incentive funds have been exhausted, a customer's Application may be placed on a waiting list.

To provide a further context for the Company's response, the overview provided below describes the formal process with which a customer must comply to receive residential up-front incentives. This process is set forth in detail in the Company's DEAP, and was approved as part of APS's 2010 Implementation Plan in Decision No. 71459 (Jan. 29, 2010).

RESERVATION PROCESS OVERVIEW

Customer submits a signed Application to request a reservation for incentive funding to APS: (The form Application is supplied by APS.)

Customer receives reservation confirmation: After reviewing the reservation request, APS will assign a reservation status. If the reservation request is approved, APS will send a written confirmation to the customer. Approved reservations will be logged in the order received.

If the Application is deficient in meeting one or more of the program requirements, APS will inform the customer of the nature of the deficiency and will allow the customer to correct it. If the Application is denied because funding is not available, the request will be placed on a waiting list, and APS will send written notification to the customer.

Interconnection Request: The interconnection request and site plan diagram is submitted to APS. APS will provide preliminary approval that the system meets interconnection standards (grid-tied). Final approval will not be issued until the APS interconnection inspection is completed.

Customer Proceeds with Installation: The customer/installer will obtain all required permits and proceed with system installation.

Grid-tied systems: PV systems are required to pass an interconnection inspection that will be conducted by APS before the system can be authorized to operate in parallel to the APS grid. APS will conduct the interconnection inspection only after the system has been inspected by the local authority having jurisdiction or if APS has received a letter in lieu of electrical inspection. If the PV system passes the interconnection inspection, APS will provide the customer with a written document that provides permission to operate. If the system fails the interconnection inspection, the reservation can remain active, as long as the deficiency is remedied within the defined reservation timeframe.

Request for Incentive Payment: The customer must submit a signed Certificate of Installation form (which is supplied by APS), and a copy of a final paid invoice confirming the system purchase price, payment and installation by an Arizona licensed contractor. If a material change was made between the time APS approved the reservation and the date APS received the Certificate of Installation, the customer must complete an amended application. If the change increases the incentive amount the system is eligible to receive, APS will confirm that incentive funding is available. If funding is not available, APS will only provide an incentive in the amount requested in the original reservation.

APS sends incentive payment: APS will send the incentive payment or initiate incentive payments in accordance with the instructions provided by the customer.

4. Please identify the time period when APS will begin taking reservations for 2011 projects.

APS will only confirm residential solar reservations for the 2011 budget year after January 1, 2011. Reservations confirmed in 2011 may have an Application date of 2010 or 2011, depending on whether funding is available.

If the Commission adopts APS's proposed funding cycles and incentive reductions through year-end 2010, the Company forecasts that residential incentive funds will be exhausted by September 15, 2010. If this were to occur, on January 1, 2011, APS would begin to confirm reservations beginning with the 2010 applications that had been submitted but not yet funded based on the order in which they were received.

5. Is it possible that any funding commitments APS has made during Q1-2010 may drop out? If so, are these funds considered in what APS has identified as the remaining funds available for FY2010?

It is likely that a small amount of funding commitments that APS has made in first quarter 2010 will be cancelled. The residential historical cancellation rate (2008 through year-to-date 2010) is approximately 5%. However, it is likely that this rate will be even lower (about 3%) if customers realize that they will be foregoing a higher incentive.

Of the \$33 million in funding commitments APS has made during first quarter 2010, APS would anticipate approximately \$600,000 in cancellations at the historic cancellation rate. This \$600,000 was not identified as part of remaining funds in the March 31, 2010 filing.

6. Assuming APS attains compliance with its 2010 residential DE requirement in 2010, please estimate the additional capacity needed to attain the Company's projected 2011 requirement in MW of residential PV and number of SHW systems. Please base your estimate for 2011 on the ratio of PV to SHW systems you have experienced in Q1-2010.

Compliance with the residential Distributed Energy ("DE") target in 2011 will require approximately 110,600 megawatt hours ("MWh"). Assuming only PV installations and SHW systems are used by customers and in the same proportion to that seen in first quarter 2010, APS estimates approximately 1,800 average sized SHW systems and 18.5 megawatts ("MW") of residential PV.

7. Concerns have been raised by the solar industry regarding the ability to see in real time how much of the Company's incentive budget has been reserved. It is my recollection that this information at one time was posted by APS on its web site, but that APS has ceased that practice. While this information would likely be made a part of the forthcoming new Go Solar Arizona web site ordered by

the Commission, I would like to know whether the Company can make the information available on its current web site.

Decision No. 70654 (issued Dec. 18, 2008) required APS to post quarterly updates regarding the status of its Renewable Energy Incentive Program ("REIP") on the Company's website. Since that time, APS has regularly posted this information on its website on a quarterly basis. APS posted its REIP update for the first quarter of 2010 on April 9, 2010. Please see attached Exhibit B for the most recent quarterly update.

Currently, APS is collaborating with other Commission-regulated utilities to implement the *ArizonaGoesSolar* website, as ordered by the Commission.¹ This website is expected to be in production in the second half of 2010.

- 8. Please state the Company's position regarding whether the Commission should consider a long-term incentive reduction plan for the Company, which would offer better transparency, comply with DE requirements, and offer better continuity throughout a calendar year.**

In the Company's March 31st filing, APS requested that the Commission approve: 1) an incentive reduction effective March 31, 2010 for residential SWH and PV incentives; 2) allocate the remaining 2010 available residential incentive funds into two funding cycles through year end 2010; and 3) implement a \$0.20 per installed watt reduction to the PV incentive after 4 MW of capacity have been reserved. The combination of these three elements will allow APS to achieve 2010 program compliance with available funds without increasing the RES adjustor. The Company recognizes that these are short-term solutions to allow the 2010 residential solar incentive program to continue and is not requesting that all of these proposed elements be adopted for the long-term.

Recognizing that future incentive reduction transparency is necessary, APS is implementing two residential incentive program administration changes: 1) online incentive reservation confirmation at the time of application for all conforming projects; and 2) the establishment of the *ArizonaGoesSolar* website. Additionally, as presented in the Company's March 31st filing as a long-term solution, APS recommends adoption of a capacity based incentive level "step-down" in eleven 8 MW increments. Therefore, after 8 MW of residential capacity have been reserved at a certain incentive level, the incentive would then be reduced by \$0.20 per watt for the next 8 MWs of residential reservations. This capacity-based incentive step-down would allow the Company to closely monitor DE compliance with a known budgetary commitment. Similar to the California Solar Initiative, the *ArizonaGoesSolar* website will demonstrate to residential customers when a capacity threshold is near achievement and indicate that an incentive reduction is approaching. The Company believes that web-based reservation confirmation and the deliberate, capacity-based incentive step-downs communicated publically through the *ArizonaGoesSolar*

¹ See Decision No. 71459 (Jan. 29, 2010).

Kristin K. Mayes, Chairman

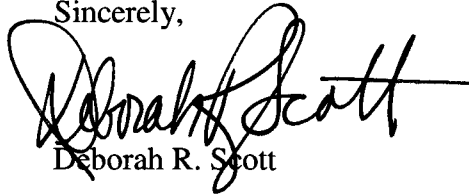
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website will provide transparency as to when an incentive will be reduced and predictability of what the new residential incentive levels will be.

I hope that the information provided is responsive to your inquiry. Company representatives will be prepared to answer further questions you might have on this topic at the open meeting scheduled for Tuesday, April 13, 2010.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah R. Scott". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Deborah R. Scott

DRS/jlj

Attachments

cc: Gary Pierce, Commissioner
Paul Newman, Commissioner
Sandra Kennedy, Commissioner
Bob Stump, Commissioner
Ernest Johnson
Steve Olea
Janice Alward
Rebecca Wilder
Parties of Record

Copies of the foregoing hand-delivered/emailed
this 12th day of April, 2010 to:

Steve Olea
Arizona Corporation Commission
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Phoenix, AZ 85007

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Chief Executive Officer
Green Choice Solar
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Scottsdale, AZ 85260

Exhibit A

Table 1
2009 Applications Received with Associated Funding Budget Year

Week	Total Applications Received	2009 Applications Funded with Budget Year 2009	2009 Applications Funded with Budget Year 2010 ¹	Week	Total Applications Received	2009 Applications Funded with Budget Year 2009	2009 Applications Funded with Budget Year 2010	Week	Total Applications Received	2009 Applications Funded with Budget Year 2009	2009 Applications Funded with Budget Year 2010
1	13	13		19	102	101	1	37	116	114	2
2	85	85		20	73	72	1	38	126	126	
3	69	69		21	25	25		39	108	107	1
4	56	56		22	80	80		40	125	125	
5	44	44		23	103	103		41	44	40	4
6	25	25		24	88	88		42	195	189	6
7	36	36		25	93	93		43	164	156	8
8	68	68		26	33	33		44	74	70	4
9	36	36		27	130	130		45	126	56	70
10	42	42		28	17	17		46	142	20	122
11	37	37		29	72	72		47	96	5	91
12	59	59		30	127	126	1	48	209	10	199
13	77	76	1	31	30	29	1	49	182	6	176
14	57	57		32	80	80		50	129	1	128
15	66	66		33	179	177	2	51	133	17	116
16	33	33		34	83	82	1	52	154	0	154
17	80	80		35	135	134	1				
18	9	9		36	156	152	4	Totals:	4621	3527	1094

¹ Applications are reported as the first day the application is received. An application becomes a reservation at the time all completed information is received and final approval is granted by APS for funding the customer's application.

Exhibit A

Table 2
2010 (through 4/8/10) Weekly Applications Received with Associated Funding Budget Year

Week	Total Applications Received	2010 Applications Funded with Budget Year 2010
1	23	23
2	87	87
3	125	125
4	215	215
5	133	133
6	114	114
7	131	131
8	179	179
9	108	108
10	142	142
11	140	140
12	170	170
13	59	59
14	125	125
Total	1751	1751

Exhibit A

Table 3
2009 Weekly Reservations with Corresponding Cancellation Rates

Week	Total 2009 Reservations Made	Number of Cancellations	% of Cancellations	Week	Total 2009 Reservations Made	Number of Cancellations	% of Cancellations	Week	Total 2009 Reservations Made	Number of Cancellations	% of Cancellations
1	0	0	0%	19	40	0	0%	37	141	7	5%
2	1	0	0%	20	56	6	11%	38	153	42	27%
3	45	12	27%	21	46	5	11%	39	79	2	3%
4	20	0	0%	22	109	4	4%	40	41	0	0%
5	70	10	14%	23	67	1	1%	41	158	4	3%
6	20	1	5%	24	32	2	6%	42	142	2	1%
7	14	1	7%	25	68	0	0%	43	198	3	2%
8	90	5	6%	26	51	4	8%	44	46	1	2%
9	52	4	8%	27	74	5	7%	45	71	2	3%
10	27	0	0%	28	31	1	3%	46	50	0	0%
11	21	2	10%	29	55	4	7%	47	80	1	1%
12	82	9	11%	30	19	1	5%	48	40	2	5%
13	64	3	5%	31	108	4	4%	49	37	0	0%
14	52	5	10%	32	118	5	4%	50	53	0	0%
15	83	2	2%	33	37	2	5%	51	63	1	2%
16	72	3	4%	34	141	3	2%	52	7	0	0%
17	25	3	12%	35	142	10	7%	Totals:	3524	61	7%
18	25	1	4%	36	73	4	5%				

Exhibit A

Table 4
2010 (through 4/8/10) Weekly Reservations with Corresponding Cancellation Rates

Week	Total 2010 Reservations Made	Number of Cancellations	% of Cancellations
1	344	4	1%
2	188	1	1%
3	225	1	0%
4	246		0%
5	114	1	1%
6	154	2	1%
7	336		0%
8	115	1	1%
9	78	3	4%
10	73		0%
11	134		0%
12	196	1	1%
13	205		0%
14	90		0%
Total:	2498	14	0.68%

Exhibit B

Available Funding for the APS Renewable Energy Incentive Program

The APS Renewable Energy Incentive Program was created in response to the Renewable Energy Standard (RES) as approved by the Arizona Corporation Commission. Incentives from this program are designed to help our customers take advantage of the renewable energy resources available in our state. Doing so will help decrease air pollution, reduce energy costs for participating customers and help build a more sustainable future for all Arizonans.

The goal of the RES is for 15 percent of our retail energy sales to come from renewable energy resources by the year 2025. For 2010, 2.5 percent of the energy we provide must be derived from renewable energy resources. Of that percentage, 20 percent must come from Distributed Energy resources that are installed on the customer's premises and are used to offset customer load, such as rooftop solar panels.

To help reach these goals for distributed energy, the ACC has authorized APS to offer up to \$ 44.1 million for residential incentives and \$102 million for non-residential incentives for APS customer projects in 2010. The energy production target through the end of 2010 is 141,305,290 kWhs of distributed energy which is divided equally between residential and non-residential customers.

	<u>Residential</u>	<u>Non-Residential</u>
2010 Projected End-of-Year Compliance Target (kWhs)	70,652,645	70,652,645
2010 Year-to-Date Results (kWhs) – As of March 31, 2010		
Systems Installed	42,036,440	19,157,846
Applications Reserved	17,072,613	76,104,485
Energy Still Required	11,543,592	NA
2010 Production Based Incentive Lifetime Commitment Cap	Not Applicable	\$ 100,000,000
Breakdown of \$100,000,000:		
Large Projects: \$65,000,000 Lifetime Commitment Cap *(includes \$\$\$ released from 2009 commitments)		\$ 101,260,729*
Systems Installed		0
Applications Reserved		\$ 67,444,947
Available Existing Lifetime Funds**		\$ 33,815,782

****Applications Pending Exceed Available Funds**

The last accepted project at the conclusion of the first nomination period had a PBI Ranking Index Value of 1225. The next nomination period ends October 31, 2010.

Medium Projects: \$20,000,000 Lifetime Commitment Cap *(includes newly available \$\$\$ from 2009)	\$ 25,365,572.33*
Systems Installed	0
Applications Reserved	\$ 8,575,210
Available Existing Lifetime Funds**	\$ 16,790,362.33

****Applications Pending Exceed Available Funds***

The last accepted project at the conclusion of January / February nomination period had a PBI Ranking Index Value of 1300. The next nomination period ends April 30, 2010.

Schools & Governmental: \$15,000,000 Lifetime Commitment Cap	\$ 15,000,000
Systems Installed	0
Applications Reserved	\$ 14,999,766

Based on these results, **we are currently accepting applications** to reserve funding for both residential and non-residential incentives. For detailed program results by year, technology, or customer class, please **view the REIP Quarterly Results.**

Exhibit B

2010 APS Renewable Energy Incentive Program Quarterly Update -- as of 3/31/2010											
DE Renewable Customer Installations - Count by Year											
Technology	2002	2003	2004	2005	2006	2007	2008	2009	2010 YTD	Total	
Residential											
Grid-Tied PV	2	9	41	59	174	221	354	1,363	773	2,996	
Off-Grid PV	21	55	67	98	87	47	51	33	8	467	
Solar Water Heating	0	5	93	81	214	257	407	1,541	725	3,323	
Solar Space Heating	0	0	0	0	0	0	0	3	2	5	
Solar HVAC	0	0	0	0	0	0	0	3	0	3	
Grid-Tied Wind	0	0	0	0	0	0	0	16	1	17	
Off-Grid Wind	0	0	0	0	0	0	0	4	1	5	
Geothermal	0	0	0	0	0	0	0	16	4	20	
Total Residential Systems Installed	23	69	201	238	475	525	812	2,979	1,514	6,836	
Non-Residential											
Grid-Tied PV	2	1	1	14	9	11	18	58	30	144	
Off-Grid PV	0	2	1	0	4	2	1	1	3	14	
Solar Water Heating	0	0	0	0	0	0	0	18	2	20	
Solar Process/Space Heating	0	0	0	0	2	0	0	4	0	6	
Solar Process/Space Cooling	0	0	0	0	0	0	0	1	0	1	
Solar Pool Heating	0	0	0	0	0	0	0	1	2	3	
Solar Daylighting	0	0	0	0	0	0	0	1	0	1	
Grid-Tied Wind	0	0	0	0	0	0	1	4	1	6	
Off-Grid Wind	0	0	0	0	0	0	0	0	0	0	
Geothermal	0	0	0	0	0	0	0	0	0	0	
Biogas/Biomass	0	0	0	0	0	0	0	2	0	2	
Total Non-Residential Systems Installed	2	3	2	14	15	13	20	90	38	197	
Total Customer Systems Installed	25	72	203	252	490	538	832	3,069	1,552	7,033	

Exhibit B

2010 APS Renewable Energy Incentive Program Quarterly Update -- as of 3/31/2010

DE Electric Generation Installations - kW By Year

Technology	2002	2003	2004	2005	2006	2007	2008	2009	2010 YTD	Total
Residential										
Residential Grid-Tied PV	4.92	55.19	153.14	236.57	795.43	1,085.67	2,012.10	8,131.39	5,112.19	17,586.59
Residential Grid-Tied Wind	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.80	2.60	43.40
Residential Off-Grid PV	23.23	70.44	111.65	138.66	162.79	91.57	98.06	82.40	19.84	798.63
Residential Off-Grid Wind	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.74	0.00	2.74
All Residential	28.15	125.64	264.78	375.23	958.21	1,177.23	2,110.16	8,257.33	5,134.63	18,431.36
Non-Residential										
Non-Residential Grid-Tied PV	3.96	2.34	25.28	162.50	258.49	543.63	2,441.07	3,669.62	517.10	7,623.99
Non-Residential Grid-Tied Wind	0.00	0.00	0.00	0.00	0.00	0.00	1.80	9.80	2.40	13.80
Non-Residential Grid-Tied Biogas/Biomass	0.00	0.00	0.00	0.00	0.00	0.00	0.00	292.00	0.00	292.00
Non-Residential Off-Grid PV	0.00	10.89	7.58	0.00	26.62	7.54	3.96	0.24	5.95	62.89
Non-Residential Off-Grid Wind	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-Residential Off-Grid Biogas/Biomass	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
All Non-Residential	3.96	13.23	32.86	162.50	285.11	551.27	2,446.83	3,871.46	525.45	7,992.88
All Grid-Tied	8.88	57.53	178.42	399.07	1,053.92	1,629.30	4,454.97	12,143.41	5,634.29	25,559.78
All Off-Grid	23.23	81.34	119.23	138.66	168.41	99.21	102.02	85.38	25.79	884.26
Total kW Installed	32.11	138.87	297.65	537.73	1,243.32	1,728.51	4,556.99	12,228.79	5,660.08	26,424.04

DE Thermal Installations - kWhs Offset By Year

Technology	2002	2003	2004	2005	2006	2007	2008	2009	2010 YTD	Total
Residential										
Solar Water Heating	0	12,900	220,700	185,500	535,800	686,900	1,112,300	4,551,974	2,094,459	9,400,533
Solar Space Heating	0	0	0	0	0	0	0	33,774	0	33,774
Solar HVAC	0	0	0	0	0	0	0	9,126	0	9,126
Geothermal	0	0	0	0	0	0	0	674,134	0	674,134
Total Residential Thermal kWhs Offset	0	12,900	220,700	185,500	535,800	686,900	1,112,300	5,269,008	2,094,459	10,117,567
Non-Residential										
Solar Water Heating	0	0	0	0	0	0	0	1,264,246	209,587	1,473,833
Solar Pool Heating	0	0	0	0	0	0	0	72,288	0	72,288
Solar Process/Space Heating	0	0	0	0	242,894	0	0	203,283	446,177	692,354
Solar Process/Space Cooling	0	0	0	0	0	0	0	396,442	0	396,442
Geothermal	0	0	0	0	0	0	0	0	0	0
Biogas/Biomass	0	0	0	0	0	0	0	1,627,198	0	1,627,198
Total Non-Residential Thermal kWhs Offset	0	0	0	0	242,894	0	0	3,563,457	209,587	4,015,938
Total Thermal kWhs Offset	0	12,900	220,700	185,500	778,694	686,900	1,112,300	8,832,465	2,304,046	14,133,505

Exhibit B

2010 APS Renewable Energy Incentive Program Quarterly Update -- as of 3/31/2010			
2010 DE Compliance Tracking			
Type	Systems Installed	Applications Reserved	Percent of Compliance Target
Residential kWhs	42,036,440	17,072,613	83.66%
Non-Residential kWhs	19,157,846	76,104,485	134.83%
Total kWhs	61,194,286	93,177,098	218.03%
2010 DE Incentive Budget			
Type	Budget	Reserved & Paid	Available
Residential UFI's	\$44,100,000	\$33,123,476	\$10,976,524
Non-Residential UFI's	\$2,000,000	\$235,963	\$1,764,037
PBI Lifetime Commitment Cap	\$100,000,000	\$91,019,923	\$8,980,077